

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 19 be amended to read as follows:

- 1 Page 7, between lines 37 and 38, begin a new paragraph and insert:
2 "SECTION 2. IC 6-1.1-20.6-0.5 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JANUARY 1, 2009]: **Sec. 0.5. As used in this chapter,**
5 **"agricultural land" refers to land assessed as agricultural land**
6 **under the real property assessment rules and guidelines of the**
7 **department of local government finance.**
8 SECTION 3. IC 6-1.1-20.6-1.6 IS ADDED TO THE INDIANA
9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JANUARY 1, 2009]: **Sec. 1.6. As used in this chapter,**
11 **"gross assessed value" refers to the assessed value of property**
12 **after the application of all exemptions under IC 6-1.1-10 or any**
13 **other provision.**
14 SECTION 4. IC 6-1.1-20.6-2, AS ADDED BY P.L.246-2005,
15 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2009]: **Sec. 2. (a) As used in this chapter, "homestead"**
17 **has the meaning set forth in ~~IC 6-1.1-20.9-1~~ IC 6-1.1-12-37.**
18 **(b) The term includes a house or an apartment that is owned or**
19 **leased by a cooperative housing corporation (as defined in 26**
20 **U.S.C. 216(b)).**
21 SECTION 5. IC 6-1.1-20.6-2.3 IS ADDED TO THE INDIANA
22 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.3. As used in this chapter,**
24 **"long term care property" means property that:**

(1) is used for the long term care of an impaired individual;
and

(2) is one (1) of the following:

(A) A health facility licensed under IC 16-28.

(B) A housing with services establishment (as defined in IC 12-10-15-3) that is allowed to use the term "assisted living" to describe the housing with services establishment's services and operations to the public.

(C) An independent living home that, under contractual agreement, serves not more than six (6) individuals who:

(i) have a mental illness or developmental disability;

(ii) require regular but limited supervision; and

(iii) reside independently of their families.

SECTION 6. IC 6-1.1-20.6-2.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.4. As used in this chapter, "new assessed value" refers to the assessed value of property after the application of:**

(1) all exemptions under IC 6-1.1-10 or any other provision;
and

(2) all deductions under IC 6-1.1.

SECTION 7. IC 6-1.1-20.6-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.5. (a) As used in this chapter, "nonresidential real property" refers to either of the following:**

(1) Real property that:

(A) is not:

(i) a homestead; or

(ii) residential property; and

(B) consists of:

(i) a building or other land improvement; and

(ii) the land, not exceeding the area of the building footprint or improvement footprint, on which the building or improvement is located.

(2) Undeveloped land in the amount of the remainder of:

(A) the area of a parcel; minus

(B) the area of the parcel that is part of:

(i) a homestead; or

(ii) residential property.

(b) The term does not include agricultural land.

SECTION 8. IC 6-1.1-20.6-4, AS AMENDED BY P.L.162-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 4. As used in this chapter, "qualified residential property" refers to any of the following that a county fiscal body specifically makes eligible for a credit under this chapter in an ordinance adopted under section 6 of this chapter and to all the**

following for purposes of section 6.5 of this chapter:

- (1) An apartment complex;
- (2) A homestead;
- (3) Residential rental property.

real property that consists of either of the following:

(1) A single family dwelling that is not part of a homestead and the land, not exceeding one (1) acre, on which the dwelling is located.

(2) Real property that consists of:

- (A) a building that includes two (2) or more dwelling units;**
- (B) any common areas shared by the dwelling units; and**
- (C) the land, not exceeding the area of the building footprint, on which the building is located.**

SECTION 9. IC 6-1.1-20.6-7, AS AMENDED BY P.L.224-2007, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) In the case of a credit authorized under section 6 of this chapter or provided by section 6.5(a) or 6.5(b) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to

- (A) the person's qualified residential property located in the county, in the case of a calendar year before 2008; or
- (B) the person's homestead: (as defined in IC 6-1.1-20.9-1) property located in the county, in the case of a calendar year after 2007 and before 2010; and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to

- (A) the person's qualified residential property, in the case of a calendar year before 2008; or
- (B) the person's homestead property, in the case of a calendar year after 2007 and before 2010;

for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the qualified residential property (in the case of a calendar year before 2008) or the person's homestead property (in the case of a calendar year after 2007 and before 2010) for property taxes first due and payable in that calendar year, as adjusted under subsection (c). Except as provided in subsection (c), a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in 2009. Except as provided in subsection (c), the amount of the credit is the amount by which the person's property tax liability attributable to the person's:

- (1) homestead exceeds one and five-tenths percent (1.5%);
- (2) residential property exceeds two and five-tenths percent (2.5%);

1 (3) long term care property exceeds two and five-tenths
2 percent (2.5%);

3 (4) agricultural land exceeds two and five-tenths percent
4 (2.5%);

5 (5) nonresidential real property exceeds three percent (3%);
6 or

7 (6) personal property exceeds three percent (3%);

8 of the gross assessed value of the property that is the basis for
9 determination of property taxes for that calendar year.

10 (b) In the case of a credit provided by section 6.5(c) of this chapter
11 for property taxes first due and payable in a calendar year:

12 (1) a person is entitled to a credit against the person's property tax
13 liability for property taxes first due and payable in that calendar
14 year attributable to the person's real property and personal
15 property located in the county; and

16 (2) the amount of the credit is equal to the following:

17 (A) In the case of property tax liability attributable to the
18 person's homestead property, the amount of the credit is the
19 amount by which the person's property tax liability attributable
20 to the person's homestead property for property taxes first due
21 and payable in that calendar year exceeds two percent (2%) of
22 the gross assessed value that is the basis for determination of
23 property taxes on the homestead property for property taxes
24 first due and payable in that calendar year, as adjusted under
25 subsection (c);

26 (B) In the case of property tax liability attributable to property
27 other than homestead property, the amount of the credit is the
28 amount by which the person's property tax liability attributable
29 to the person's real property (other than homestead property)
30 and personal property for property taxes first due and payable
31 in that calendar year exceeds three percent (3%) of the gross
32 assessed value that is the basis for determination of property
33 taxes on the real property (other than homestead property) and
34 personal property for property taxes first due and payable in
35 that calendar year, as adjusted under subsection (c);

36 (c) This subsection applies to property taxes first due and payable
37 after December 31, 2007. The amount of a credit to which a person is
38 entitled under subsection (a) or (b) in a county shall be adjusted as
39 determined in STEP FIVE of the following STEPS:

40 STEP ONE: Determine the total amount of the person's property
41 tax liability described in subsection (a)(1) or (b)(1) (as applicable)
42 that is for tuition support levy property taxes;

43 STEP TWO: Determine the total amount of the person's property
44 tax liability described in subsection (a)(1) or (b)(1) (as
45 applicable);

46 STEP THREE: Determine the result of:

- 1 (A) the STEP TWO amount; minus
 2 (B) the STEP ONE amount.
 3 STEP FOUR: Determine the result of:
 4 (A) the STEP THREE amount; divided by
 5 (B) the STEP TWO amount.
 6 STEP FIVE: Multiply the credit to which the person is entitled
 7 under subsection (a) or (b) by the STEP FOUR amount.

8 Notwithstanding any other provision of this chapter, a school
 9 corporation's tuition support property tax levy collections may not be
 10 reduced because of a credit under this chapter.

11 (b) Property taxes imposed after being approved by the voters
 12 in a referendum or local public question shall not be considered for
 13 purposes of calculating a person's credit under this section.

14 (c) The credit under subsection (a) does not apply to property
 15 taxes on nonresidential real property and personal property that
 16 is:

- 17 (1) located in a city having a population of more than four
 18 thousand five hundred (4,500) but less than six thousand
 19 (6,000); and
 20 (2) owned, controlled, or possessed by:
 21 (A) a single entity; or
 22 (B) a group of affiliated entities;
 23 that for the assessment date under IC 6-1.1-1-2(1) in 2008
 24 owns, controls, or possesses at least forty percent (40%) of the
 25 net assessed value of tangible property in the city.

26 SECTION 10. IC 6-1.1-20.6-7.5 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 2009]: Sec. 7.5. (a) Except as provided
 29 in subsection (c), a person is entitled to a credit against the person's
 30 property tax liability for property taxes first due and payable after
 31 2009. Except as provided in subsection (c), the amount of the credit
 32 is the amount by which the person's property tax liability
 33 attributable to the person's:

- 34 (1) homestead exceeds one percent (1%);
 35 (2) residential property exceeds two percent (2%);
 36 (3) long term care property exceeds two percent (2%);
 37 (4) agricultural land exceeds two percent (2%);
 38 (5) nonresidential real property exceeds three percent (3%);
 39 or
 40 (6) personal property exceeds three percent (3%);
 41 of the gross assessed value of the property that is the basis for
 42 determination of property taxes for that calendar year.

43 (b) Property taxes imposed after being approved by the voters
 44 in a referendum or local public question shall not be considered for
 45 purposes of calculating a person's credit under this section.

46 (c) The credit under subsection (a) does not apply to property
 47 taxes first due and payable in 2010, 2011, and 2012 on

1 nonresidential real property and personal property that is:

2 (1) located in a city having a population of more than four
3 thousand five hundred (4,500) but less than six thousand
4 (6,000); and

5 (2) owned, controlled, or possessed by:

6 (A) a single entity; or

7 (B) a group of affiliated entities;

8 that for the assessment date under IC 6-1.1-1-2(1) in 2008
9 owns, controls, or possesses at least forty percent (40%) of the
10 net assessed value of tangible property in the city.

11 SECTION 11. IC 6-1.1-20.6-10 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) As used in this section,
14 "debt service obligations of a political subdivision" refers to:

15 (1) the principal and interest payable during a calendar year
16 on bonds; and

17 (2) lease rental payments payable during a calendar year on
18 leases;

19 of a political subdivision payable from ad valorem property taxes.

20 (b) Political subdivisions are required by law to fully fund the
21 payment of their debt obligations in an amount sufficient to pay
22 any debt service or lease rentals on outstanding obligations,
23 regardless of any reduction in property tax collections due to the
24 application of tax credits granted under this chapter. Any
25 reduction in collections must be applied to the other funds of the
26 political subdivision after debt service or lease rentals have been
27 fully funded.

28 (c) Upon the failure of a political subdivision to pay any of the
29 political subdivision's debt service obligations during a calendar
30 year when due, the treasurer of state, upon being notified of the
31 failure by a claimant, shall pay the unpaid debt service obligations
32 that are due from money in the possession of the state that would
33 otherwise be available for distribution to the political subdivision
34 under any other law, deducting the payment from the amount
35 distributed. A deduction under this subsection must be made:

36 (1) first from distributions of county adjusted gross income
37 tax distributions under IC 6-3.5-1.1, county option income tax
38 distributions under IC 6-3.5-6, or county economic
39 development income tax distributions under IC 6-3.5-7 that
40 would otherwise be distributed to the county under the
41 schedule in IC 6-3.5-1.1-10, IC 6-3.5-1.1-21.1, IC 6-3.5-6-16,
42 IC 6-3.5-6-17.3, IC 6-3.5-7-17, and IC 6-3.5-7-17.3; and

43 (2) second from any other undistributed funds of the political
44 subdivision in the possession of the state.

45 (d) This section shall be interpreted liberally so that the state
46 shall, to the extent legally valid, ensure that the debt service
47 obligations of each political subdivision are paid when due.

1 **However, this section does not create a debt of the state.**

2 SECTION 12 IC 6-1.1-20.6-11 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2008]: **Sec. 11. The county auditor of each**
5 **county shall certify to the department of local government finance:**

6 (1) **the total amount of credits that are allowed under this**
7 **chapter in the county for the calendar year; and**

8 (2) **the amount that each taxing unit's distribution of property**
9 **taxes will be reduced under section 9.5 of this chapter as a**
10 **result of the granting of the credits.**

11 **If the amount of credits granted changes after the date the**
12 **certification is made, the county auditor shall submit an amended**
13 **certification to the department of local government finance. The**
14 **initial certification and the amended certifications shall be**
15 **submitted to the department of local government finance on the**
16 **schedule prescribed by the department of local government**
17 **finance.**

18 SECTION 13. IC 6-1.1-20.6-12 IS ADDED TO THE INDIANA
19 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2008]: **Sec. 12. For purposes of computing**
21 **and distributing after 2008 any excise taxes or local option income**
22 **taxes for which the distribution is based on the amount of a taxing**
23 **unit's property tax levy, the computation and distribution of the**
24 **excise tax or local option income tax shall be based on the taxing**
25 **unit's property tax levy as calculated before any reduction due to**
26 **credits provided to taxpayers under this chapter."**

27 Page 69, between lines 13 and 14, begin a new paragraph and insert:
28 "SECTION 68. THE FOLLOWING ARE REPEALED
29 [EFFECTIVE JANUARY 1, 2009]: IC 6-1.1-20.6-1; IC 6-1.1-20.6-5;
30 IC 6-1.1-20.6-6; IC 6-1.1-20.6-6.5; IC 6-1.1-20.6-9."

31 Page 78, between lines 4 and 5, begin a new paragraph and insert:
32 "SECTION 81. [EFFECTIVE JULY 1, 2008] (a) **The definitions in**
33 **IC 6-1.1-1 and IC 6-1.1-20.6, as amended by this act, apply**
34 **throughout this SECTION.**

35 (b) **The general assembly finds the following:**

36 (1) **The city of Whiting is dominated by a single taxpayer and**
37 **its affiliated entities that make up more than forty percent**
38 **(40%) of the assessed value of tangible property in the city,**
39 **where a massive shift in property tax burden would unduly**
40 **affect the community.**

41 (2) **The city of Whiting has reduced its civil city and sanitary**
42 **district budgets significantly since 2003, and the impact of the**
43 **credit under IC 6-1.1-20.6, as amended by this act, applicable**
44 **to nonresidential real property and personal property of the**
45 **taxpayer referred to in subdivision (1) could leave the city**
46 **with as little as one million dollars (\$1,000,000) in funding in**
47 **2009 to provide vital municipal services to its citizens.**

1 **(3) Over the past five (5) years the sanitary district of the city**
2 **of Whiting and the sanitary district's utilities have reduced**
3 **their workforce by twenty percent (20%) and have found**
4 **ways to continue providing the same level of public services to**
5 **their citizens.**

6 **(4) The mayor of the city of Whiting has provided a local**
7 **homestead tax credit to the citizens of the city, providing more**
8 **than two million dollars (\$2,000,000) in local property tax**
9 **relief directly to homeowners.**

10 **(c) The special circumstances described in subsection (b) require**
11 **legislation particular to the city of Whiting for the delay of**
12 **implementation of the credit under IC 6-1.1-20.6, as amended by**
13 **this act, applicable to nonresidential real property and personal**
14 **property of the taxpayer referred to in subsection (b)(1)."**

15 Renumber all SECTIONS consecutively.

 (Reference is to ESB 19 as printed February 22, 2008.)

Representative Candelaria Reardon